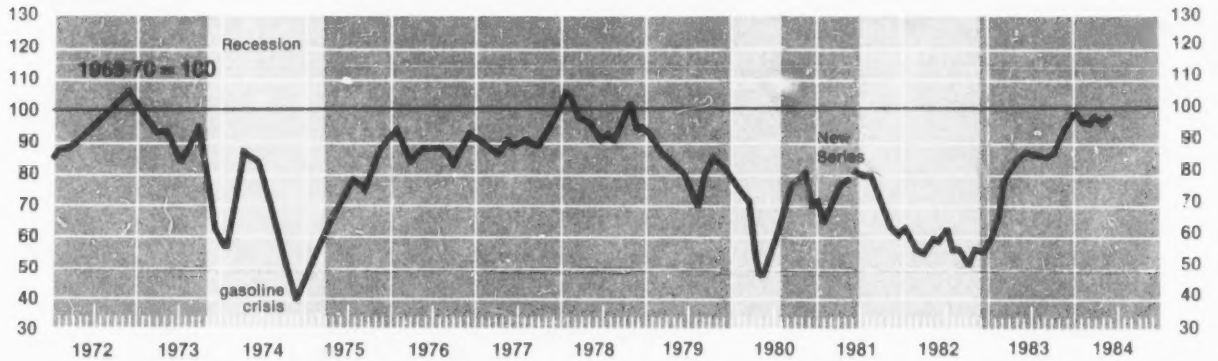
Consumer Attitudes and Buying Plans

A Monthly Report from The Conference Board
Based on a Survey Conducted by NFO Research, Inc.

Consumer Confidence Index

July, 1984



CONSUMERS MORE CONFIDENT PLANS TO SPEND UP SHARPLY

Consumer buying plans, which fluctuated in a narrow range over the past six months, registered a sharp rise in June. The Board's Index (1969-1970 = 100) rose to 122, for a gain of some 17 points. There was also a moderate improvement in the level of consumer confidence.

Plans to purchase an automobile were expressed by 10% of all survey respondents, a gain of almost two points over the preceding month. There was also a sharp rise in the consumers' interest in appliances. Some 34% of all those contacted said they would buy a major appliance during the next six months, up from 27%. Plans to buy homes, however, which registered a sharp gain in May, remained at about the same level in June.

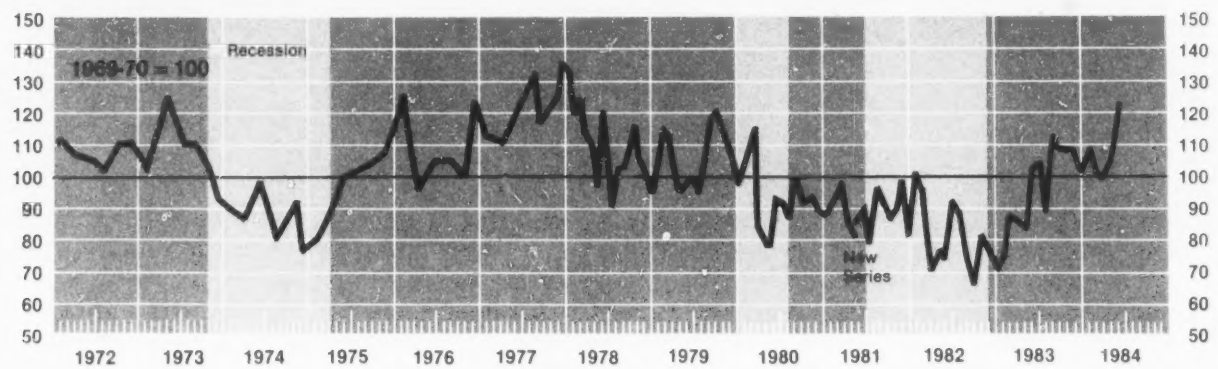
All of the rise in consumer confidence reflects the consumers' more positive assessment of present conditions—particularly the employment situation. There was a marked increase in those who reported jobs were "plentiful" and a decline in the proportion who complained that jobs were "hard to get."

In their expectations for the next six months, respondents are slightly less optimistic than they were a month ago. Some moderation of expectations is to be anticipated as more persons become comfortable with ongoing conditions. On balance, however, consumer expectations continue at a high level—a reassuring circumstance since this measure has a convincing record as a leading economic indicator.

The consumers' confidence and the sturdy rise in plans to spend are fully consistent with the recent economic news. Disposable personal income continues to grow, and the level of unemployment continues to decline, while retail prices have remained reassuringly stable. Given the latest message from the consumer, it now seems increasingly likely that while the pace of economic growth will subside from the rapid rate experienced early in the year, it will continue at a high level in the second and third quarters—probably at an annual rate of somewhat over 5% as was suggested in last month's survey.

Fabian Linden

Buying Plans Index



All data seasonally adjusted

Consumer Expectations and Intentions

Based on surveys conducted by NFO Research, Inc.

Percentage of all households = 100%

All series seasonally adjusted	1983 June	July	Aug.	Sept.	Oct.	Nov.	Dec.	1984 Jan.	Feb.	Mar.	Apr.	May(r)	Jun.(p)
Composite Series: Index Numbers, 1969=100													
Consumer Confidence Index	84.9	84.7	84.6	84.8	85.7	90.2	95.1	98.1	96.7	94.8	97.9	98.2	97.1
Present Situation	32.8	42.2	39.3	43.1	44.0	51.1	57.6	60.2	57.2	60.2	73.1	76.0	72.6
Expectations	119.6	115.4	114.8	112.6	113.3	109.4	110.0	110.0	111.5	111.6	111.2	109.6	109.4
Buying Plans Index	101.5	100.1	99.0	113.5	109.9	109.4	108.3	110.2	109.2	110.3	99.5	102.1	97.1
Appraisal of Present Situation: Percent													
Business Conditions													
Good	15.0	15.9	16.5	18.3	19.4	20.2	23.9	24.7	25.5	25.4	26.9	26.6	26.5
Bad	36.9	32.2	33.5	31.0	30.8	27.5	23.9	21.8	23.0	20.4	19.9	19.8	18.2
Normal	48.1	50.9	50.0	50.7	49.8	52.3	52.2	53.5	51.5	54.2	53.2	53.6	55.3
Employment													
Jobs plentiful	5.9	6.8	7.4	7.7	7.4	9.5	9.8	11.4	14.0	13.1	15.3	15.6	19.0
Jobs not so plentiful	45.5	45.9	48.6	48.5	49.3	50.4	51.2	50.4	49.6	51.9	46.9	51.2	50.8
Jobs hard to get	48.6	47.3	44.0	43.8	43.3	40.1	39.0	38.2	36.4	35.0	35.8	33.2	30.2
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	37.6	36.6	32.7	30.1	30.1	31.2	32.8	33.1	28.7	26.4	27.4	22.3	23.6
Worse	5.3	6.6	6.6	6.8	6.7	6.1	5.2	3.9	5.8	6.1	5.8	6.9	7.7
Same	57.1	56.8	60.7	63.1	63.2	62.7	62.0	63.0	65.5	67.5	66.8	70.8	68.7
Employment													
More jobs	29.7	28.9	26.6	24.5	24.8	25.6	25.9	25.7	21.4	20.6	20.2	17.8	17.3
Fewer jobs	11.0	13.0	12.1	13.1	13.8	11.9	10.6	10.6	11.9	12.1	11.4	12.2	13.3
Same	59.3	58.1	61.3	62.4	61.4	62.5	63.5	63.7	66.7	67.3	68.4	70.0	69.4
Income													
Increase	26.0	28.7	26.0	28.3	31.1	28.3	31.1	32.4	27.3	26.1	30.6	27.6	28.8
Decrease	8.9	8.9	8.8	8.6	7.6	7.8	7.7	7.3	6.3	7.2	6.8	6.2	5.9
Same	65.1	62.4	65.2	63.1	61.3	63.9	61.2	60.3	66.4	66.7	62.6	66.2	65.3
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	8.4	7.8	7.2	9.1	9.0	9.3	8.7	8.4	8.8	8.8	8.5	8.2	10.1
New	4.7	4.1	3.4	5.1	5.3	5.1	4.9	5.1	4.9	4.7	3.9	4.3	5.2
Used	2.2	2.7	2.4	3.6	3.3	3.4	3.3	2.5	3.4	3.0	3.0	3.2	3.4
Uncertain	1.5	1.0	1.4	0.4	0.4	0.8	0.5	0.8	0.5	1.1	1.6	0.7	1.5
Home													
Yes	3.4	3.3	3.0	3.8	3.6	3.6	3.6	3.4	3.8	3.3	3.1	3.7	3.8
New	1.0	1.1	0.8	1.3	1.0	1.2	1.2	1.0	0.9	0.8	0.9	1.0	1.3
Lived in	1.7	1.3	1.5	1.7	1.9	1.6	1.5	1.4	2.0	1.6	1.4	1.7	1.6
Uncertain	0.7	0.9	0.7	0.8	0.7	0.8	0.9	1.0	0.9	0.9	0.8	1.0	0.9
Major appliances													
Total plans	27.7	29.2	23.8	30.6	29.2	26.5	29.8	26.7	27.3	27.4	26.9	27.1	34.1
Refrigerator	3.3	4.7	3.4	4.1	3.4	3.5	3.7	3.2	3.6	3.6	3.7	3.9	5.0
Washing machine	4.3	3.5	2.7	4.0	3.3	3.6	3.6	3.4	4.0	3.8	3.2	3.6	4.0
Black and white TV	0.7	0.7	0.9	1.1	1.0	0.7	1.2	0.9	0.8	0.9	1.1	0.8	1.3
Color TV	8.1	7.6	6.1	8.2	8.0	7.5	8.2	7.8	7.0	7.5	7.7	7.0	8.8
Vacuum Cleaner	4.6	5.0	4.1	5.2	5.6	4.4	5.2	4.1	4.8	4.1	4.8	4.2	6.0
Range	2.6	2.8	2.3	2.6	2.6	2.4	2.7	2.6	2.6	2.9	2.3	2.4	3.0
Clothes dryer	2.8	3.4	2.8	3.1	3.1	2.7	3.3	2.8	2.9	2.6	2.7	3.2	3.5
Air conditioner	1.3	1.5	1.5	2.3	2.2	1.7	1.9	1.9	1.6	2.0	1.4	2.0	2.5
Carpet	7.3	6.7	6.9	8.2	7.1	8.1	7.4	6.5	7.3	7.2	5.9	6.8	8.3
Vacation Intended Within Six Months: Percent													
Vacation Intended	48.1		47.2		49.8		48.5		45.8		46.9		49.4
Destination													
Home state	9.2		9.9		10.5		10.3		8.8		8.7		9.9
Other state	34.2		32.8		33.5		33.4		32.0		32.8		35.1
Foreign country	6.6		6.2		7.0		6.5		6.2		7.6		6.5
Means of Travel													
Automobile	32.5		31.5		31.3		30.4		29.9		29.8		32.7
Airplane	17.1		15.5		17.1		17.9		15.4		18.6		17.8
Other	4.3		3.6		4.1		3.6		3.5		3.8		3.8

New Series: Beginning May, 1981 the NFO sample includes all types of households, prior to that families only. To link results overlapping surveys were conducted for four months commencing with May. Data are available on request.

(p)—preliminary (r)—revised

Please Note: In the interest of speeding the data contained in this publication to you, these series are now available on-line through The Conference Board Data Base. For more information, contact Linette Stein Waters at (212) 759-0900.